



Washington residents cannot afford Oregon's tax policies

Recent articles and opinions have painted an inaccurate and incomplete picture about my proposal to allow county governments to tax Oregonians who work in our state. My bill is not about revenge and it is not about retaliation. It is about tax equity and justice between our two states. Washington's residents cannot afford Oregon's tax policies.

The problem

Washington residents who work in Oregon pay an income tax to Oregon. Because Washington does not have an income tax, these same Washington residents also pay our state's sales tax, in effect, paying taxes twice. Conversely, Oregon residents who purchase items in Washington are exempt from our state's sales tax.

It is no small number of Washington residents who are impacted. More than 60,000 Washington residents commute to Oregon for work. It is estimated that Washington residents provide Oregon with more than \$70 million in income tax revenues every year.

For years, I have received phone calls from angry Washington residents wanting to know why they have to pay taxes to Oregon. I often hear the phrase "taxation without representation" from these callers. After all, they do not live in Oregon, they cannot vote in Oregon, and they have no say over who their representation is and how their tax dollars are spent.

Residents of my district and surrounding areas are greatly impacted by this inequity, and it is my obligation as their elected representative to address their concerns head-on, and I have attempted to do so in a diplomatic manner for years.

Repeated attempts

In 2001, the Washington Senate unanimously approved my resolution asking Oregon to join with Washington in forming a bistrate committee to evaluate tax equity between the two states. Repeated efforts on my part to contact Oregon's governor about formation of this committee went unanswered.

I have recently seen comments in the newspapers from Oregon legislators explaining that they understand my efforts to do something about this unfair taxation of Washington residents. However, they also indicated that addressing this is not very high on their priority list. If you were receiving free money, as Oregon essentially is, would it be high on your priority list to have it stopped? I didn't think so.

Oregon just needs a little incentive to do the right thing. For seven years I have attempted to diplomatically resolve Oregon's unfair taxation of more than 60,000 Washington residents who work in their state. For seven years I have been ignored by Oregon lawmakers. Oregon has proven that diplomacy in this matter will not work.

Continued lobbying of Oregon lawmakers is no longer an option. That is why I have introduced Senate Bill 5841.

A new approach

Put simply, Washington residents contribute to Oregon's infrastructure and services, and Oregon residents contribute nothing to Washington's infrastructure and services. My bill provides an opportunity for our local governments to recover the cost of public benefits received by Oregonians who work in Washington by way of an excise tax.

Because local governments know best how much services like fire protection, police and road maintenance cost in their areas, I felt the decision about the amount of the excise tax was best left to the discretion of local government officials, an important American ideal. That is why I left specifics about the amount of the excise tax out of my bill.

During committee testimony, I called this bill a "shot across the bow." That comment was in no way intended to indicate my intentions were vengeful or retaliatory. My goal in proposing this bill is to create a bargaining chip to force an otherwise unwilling party to come to the table, a new approach to address the tax inequity that exists between Washington and Oregon.

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